THE Wheat SITUATION

1949 OUTLOOK ISSUE
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BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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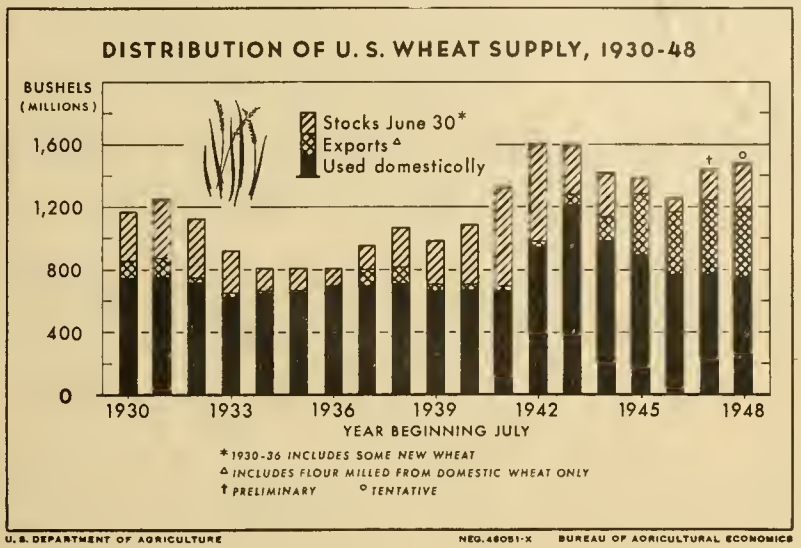
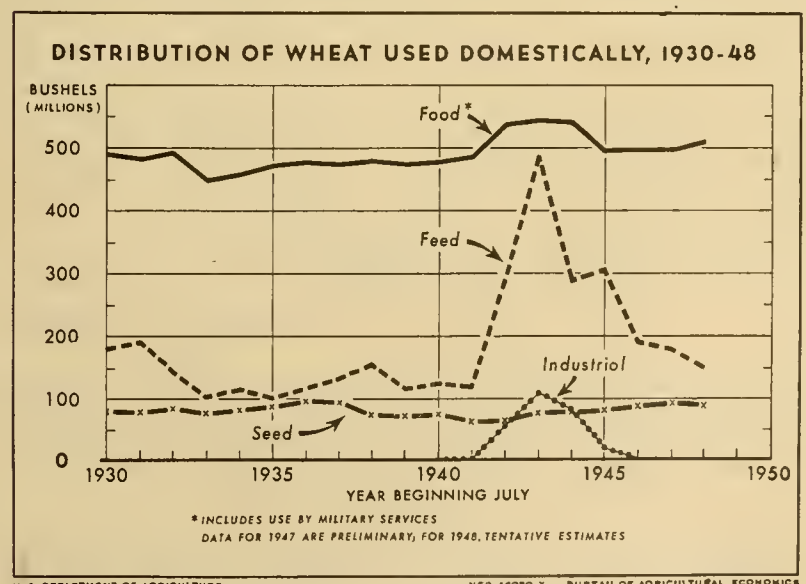
In this issue:

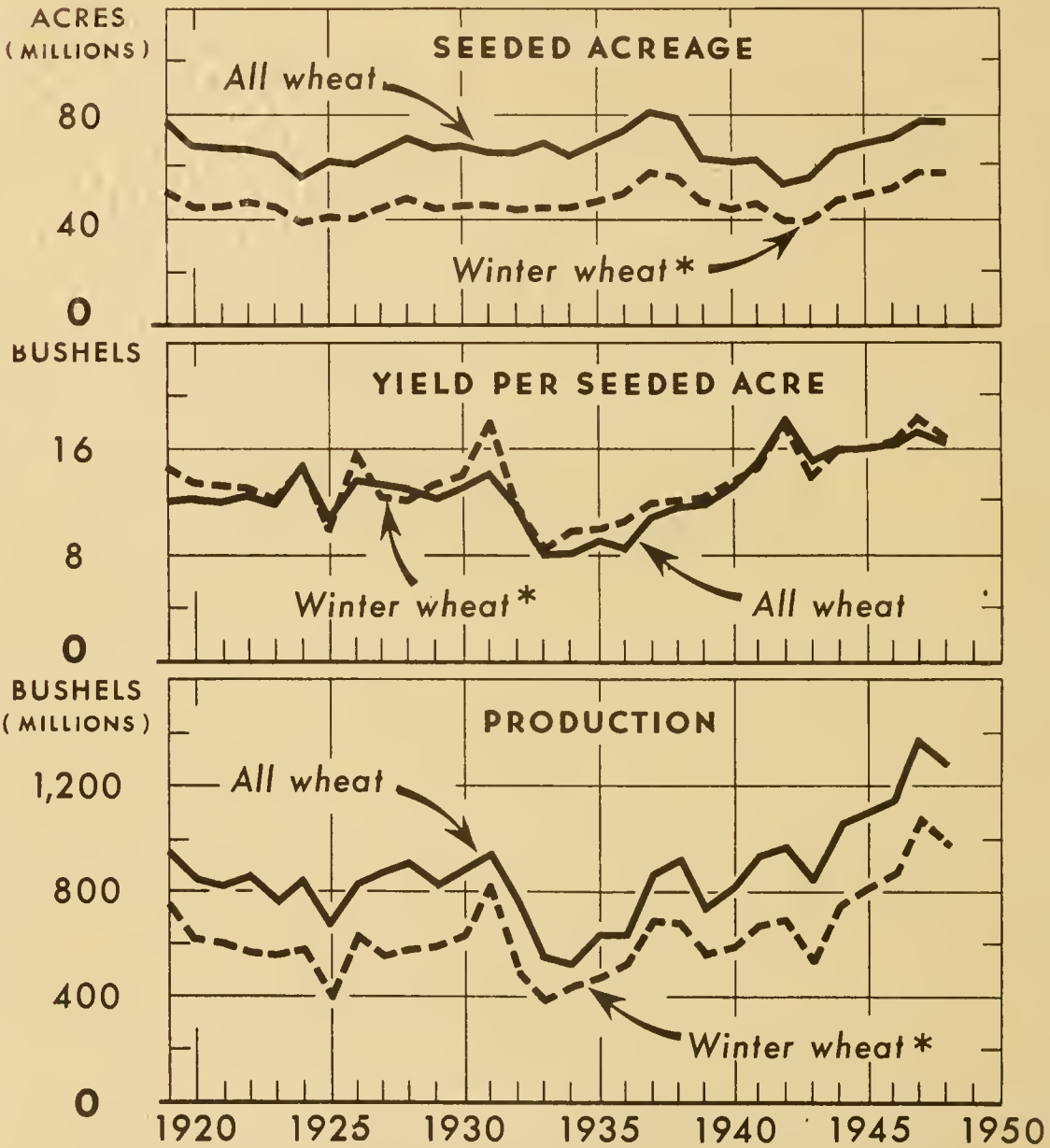
THE AGRICULTURAL ACT OF 1948 RELATIVE TO WHEAT





Wheat supplies in 1948-49 are estimated at 1,479 million bushels, which has been exceeded only in 1942-43 and 1943-44. With exports during the coming year expected to be below those in 1947-48 and little change likely in domestic use, the carry-over July 1, 1949 is expected to be larger. While food use will be about the same, the quantity fed to livestock is expected to be the lowest since 1941-42.

ALL WHEAT AND WINTER WHEAT: ACREAGE, YIELD, AND PRODUCTION, UNITED STATES, 1919-48



*SEEDED PRECEDING FALL DATA FOR 1947 AND 1948 ARE PRELIMINARY

U. S. DEPARTMENT OF AGRICULTURE NEG. 42549-X BUREAU OF AGRICULTURAL ECONOMICS

Seedings of all wheat for the 1948 crop at 77.7 million acres were only 4 percent below the all-time record of 80.8 million acres in 1937 and 17 percent above the 1937-46 average of 66.3 million acres. Production, indicated as of August 1 at 1,284 million bushels, has been exceeded only by the 1,365 million bushels in 1947. Winter wheat production in 1948 is also second only to 1947. Large crops in the last 8 years reflect good yields per acre. The recommended wheat goal for 1949 is 71.5 million acres, which is 3.6 million less than the 1948 goal and 6.2 million less than the 1948 seeded acreage.

THE WHEAT SITUATION
- Including Rye -

Approved by the Outlook and Situation Board, August 30, 1948

SUMMARY OF THE OUTLOOK FOR WHEAT AND RYE

Very large United States wheat supplies again this year and smaller demand, will add to the building up of stocks which started last year. The supply of wheat in the United States will provide about 730 million bushels of wheat for export and carry-over. The crop is being moved rapidly into export but the total exports for the year hardly seem likely to amount to as much as was exported last year. During the 1948-49 marketing year, the carry-over is likely to be increased from 195 million bushels on hand at the beginning of the season to around 275 million on July 1, 1949.

In spite of unfavorable drought conditions in the Southwest, farmers seeded 77.7 million acres of winter and spring wheat for the 1948 crop. If farmers should seed this acreage for the 1949 crop and average yields were obtained, a crop or 1,165 million bushels would be produced. This, added to the increased carry-over, would again provide a large volume of wheat for export and carry-over. With continued recovery abroad, it is expected that exports would be substantially below those of 1948-49. This would lead to a further increase in stocks. Under these conditions, prices again would be depressed to below loan levels in the heavy marketing season, and would average lower relative to the loan than in 1948-49. Furthermore, the loan level next year at 90 percent of parity is likely to be less than this year, which was $2.00 at the national farm level. Lower prices for feed grains and feedstuffs purchased by farmers may reduce the parity index sufficiently to bring the loan level down 5 to 10 cents per bushel.

Because of marked recovery in world wheat production this year and the reduced need for supplies from the United States, the Department of Agriculture has suggested as a preliminary goal that farmers reduce wheat seedings this year by as much as 8 percent and shift some of the acreage available for wheat to other crops, including grass.

Rye production in recent years has been very small, resulting in record small carry-over stocks. A 14 percent increase over the acreage harvested in 1948 is recommended for 1949, or a goal of 2.5 million acres. With average yields on the goal acreage, production next year would be about 30 million bushels, compared with 26.7 million bushels in 1948. This would provide for some increase in domestic consumption and still give us an increase of possibly 3 million bushels in the carry-over on July 1, 1950.

SUMMARY OF THE CURRENT WHEAT SITUATION

The 1948 wheat crop was estimated at 1,284 million bushels as of August 1, which represents an improvement during July of about 40 million bushels. A crop of this size is second only to the 1,365 million bushels in 1947. With a carry-over July 1, 1948 of 195 million bushels, supplies of domestic wheat total 1,479 million bushels, which is second only to the 1,6[illegible] million bushels in 1942-43 when carry-over stocks were at a record high of 631 million bushels.

Domestic disappearance in 1948-49 may total about 750 million bushels, including 510 million bushels for food, 150 million for feed, and 90 million for seed and alcohol. This estimate of domestic disappearance is above the prewar average of 678 million bushels, but is much less than that of some recent years when large quantities were fed. Out of a total supply of 1,479 million bushels, a disappearance of this size would leave about 730 million bushels for exports and carry-over. Exports are expected to be at least 450 million bushels, a third of which is expected to move in the first 3 months. This would indicate a carry-over July 1, 1949 of about 275 million bushels, which compares with the 1932-41 average of 235 million bushels.

Prices of new crop wheat are still generally below loan rates, although there has been considerable improvement compared with the extreme low on August 2, which at Kansas City was about 18 cents under the loan. With prices at loan rates assured either through loans or purchase agreements, quantities of winter wheat yet to be sold below the loan rate are likely to be limited to those for which adequate storage is not available.

The storage situation also is becoming acute in the Spring Wheat Area, where farmers are now experiencing conditions similar to those which prevailed earlier in the Southwest. Combining has been delayed because of wet weather, and, in spite of the resulting delay in movements storage is inadequate.

Exportable wheat supplies for 1948-49 from the four principal exporting countries--United States, Canada, Australia, and Argentina--are tentatively estimated at 850 million bushels, 450 million of which would be from the United States. Other countries, including the Soviet Union may possibly export another 50 million, making a total for 1948- 49 of about 35 million bushels less than the 935 million bushels exported in 1947-48. Roughly, it is expected that about two-thirds of such a quantity will go to countries participating in the European Recovery Program.

Exports of this size to these European countries, in addition to currently estimated domestic production, would provide a per capita consumption of wheat approaching prewar levels for the area as a whole, if no allowance is made for rebuilding stocks to prewar levels. However, in addition to a substantial increase in population, these countries have a low level of reserve stocks of all food products, and there is continued need for using food grains as a substitute for other foods in short supply, particularly meat and other animal products.

Broad grain production in the Northern Hemisphere may be about 10 percent above the small 1947 production and at about the 1935-39 level. Total output of broad grains in North America is much above average and in Asia is estimated to be moderately above average, as well as larger than in 1947. Wheat production in Europe excluding the USSR is estimated at 1,450 million bushels, which is considerably above the 1,015 million bushels produced in 1947, but still below the prewar average of 1,588 million bushels. European rye production is estimated at about 635 million bushels, which is sharply above the 495 million in 1947, but below the 763 million in 1935-39. Bread-grain production in the Soviet Union is forecast to be larger than in 1947, but still well below average.

In Australia, where the harvest takes place in December, growing conditions are reported as favorable except for the need of more rain in some southern and western areas. Acreage is expected to be 5 percent or more below the 14.5 million acres seeded last year. Conditions are reported generally favorable in Argentina, except in North Santa Fe. Acreage continues at a very low level.

THE OUTLOOK FOR THE 1949 WHEAT CROP

BACKGROUND.- The 1948 acreage goal of 75.1 million acres was the same as the 1947 actual seeded acreage, exclusive of volunteer wheat. In 1947, as in other years of large seedings, good crop rotations, including summer fallow, were sacrificed in many areas, and in some instances sod lands best suited for grass were broken. Under normal peacetime conditions, a much smaller acreage of wheat would have been desirable. However, in view of the continued urgent need for exports, it appeared desirable to maintain a large wheat acreage in 1948 as an emergency measure.

The acreage actually seeded to wheat for the 1948 crop was 77.7 million acres. This was 3-1/2 percent above the goal, only 4 percent below the all-time record of 80.8 million acres in 1937, and 17 percent above the 1937-46 average of 66.3 million acres (figure on page 2, table on page 20).

Recommended Goal Calls for 6-Million-Acre Reduction; Foreign Requirements Expected To Be Sharply Lower

The recommended wheat goal for 1949 is 71.5 million acres, which is 3.6 million less than the 1948 goal and 6.2 million less than the 1948 seeded acreage. A considerably smaller wheat acreage in 1949 should meet domestic and foreign requirements in view of the increased carry-over this year, the second largest crop in our history and the marked improvement in crop prospects in many importing countries. In the announcement of the recommended goal, it was pointed out that while it is desirable to build up reserves for any possible future emergency adjustment of our wheat acreage to the best long-time use of soil resources should be

started. Adjustments can be made in areas of low productivity without materially affecting total production. A better balance between soil-conserving and soil-depleting crops will actually assure higher productivity over a long period of years, Provision should be made for sufficient summer fallow to continue wheat production on the drier lands in succeeding years. It was further pointed out that in marginal areas, farmers should be encouraged to begin reseeding to grass any land not suited for crop production over a long period.

The recommended acreage goal of 71.5 million acres with 1938-47 average yields of 15.0 bushels 1/ would produce about 1,075 million bushels or a quantity which would be just sufficient to meet estimated disappearance of 510 million for food, 90 million for seed and industrial use, 150 million for feed, and exports of about 325 million.

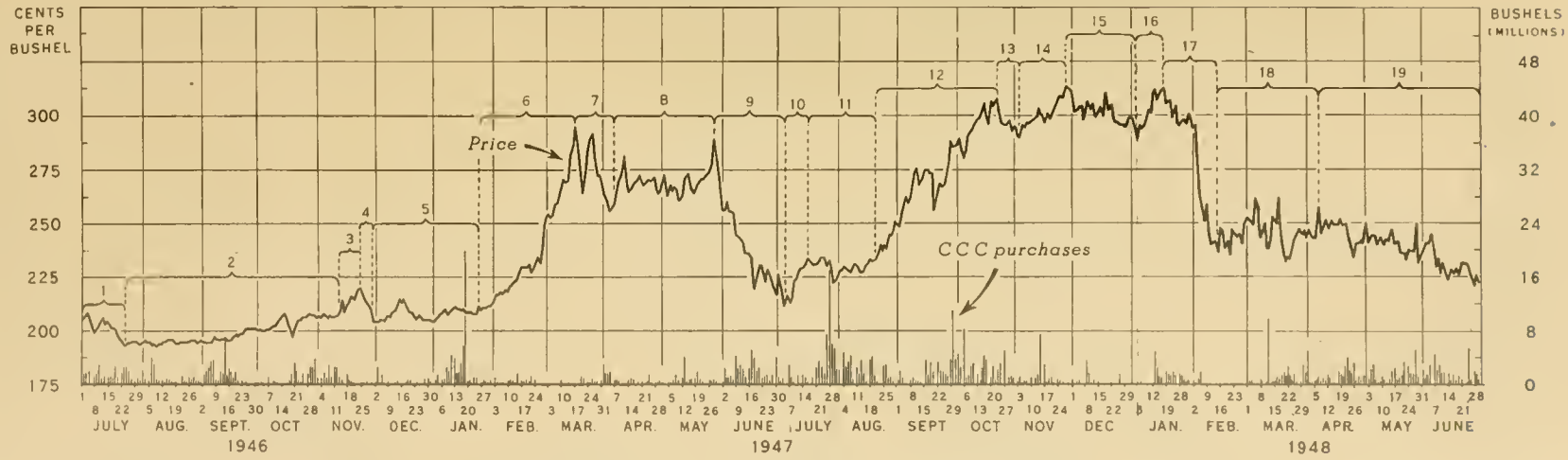
In spite of unfavorable drought conditions in the Southwest, farmers seeded 77.7 million acres of winter and spring wheat for the 1948 crop. If farmers should seed this acreage for the 1949 crop and average yields were obtained, a crop of 1,165 million bushels would be produced. A crop of this size with the same distribution as above, would increase the carry-over by July 1, 1950 by about 90 million bushels. Under those conditions, prices again would be depressed to below loan levels in the heavy marketing season and average lower relative to the loan than in 1948-49. However, there still would be no marketing quotas for 1950-51 declared by July 1, 1949 under the Agricultural Act of 1948 if yields were only about average. On the other hand, if growing conditions are again favorable enough to result in yields 2 bushels above the acreage for the 1949 crop, marketing quotas could be proclaimed even on the goal's acreage.

Estimated United States Exports in 1949-50 Much Lower

The tentative range for United States exports in 1949-50 is 300-350 million bushels. Much will depend upon the way the crops turn out in both the exporting countries and importing countries. It is assumed that in 1949-50 there will be further recovery in agricultural output in Europe and Asia and more normal production in exporting countries, and that about 75 million bushels will be exported from the U.S.S.R. and Eastern Europe, chiefly to ERP countries. In addition to crop outturn, the financial and political role played by the United States in international affairs will continue to be very important in determining the quantity of United States exports.

1/ Yields have been increasing in recent years (figure on page 2, table on page 20), not only because of favorable growing conditions, but also as a result of improved varieties, and improved and more timely practices. The 1937-41 average yield per seeded acre was 13.5 bushels; reported condition for these years was about equal to the long-time (1919-48) average. The yield in 1948 was 16.9 bushels. However, if the weather conditions in 1948 had only equaled the long-time average, studies of yield trends indicate that the yield would have been about 15.0 bushels. This would indicate that in 1948 about 2 bushels was the result of above-average growing conditions.

WEIGHTED AVERAGE PRICE OF REPORTED CASH SALES OF NO. 2 HARD WINTER WHEAT AT KANSAS CITY AND REPORTED COMMODITY CREDIT CORPORATION PURCHASES OF WHEAT AND FLOUR (GRAIN EQUIVALENT), DAILY, JULY 1946 - JUNE 30, 1948



DATA FOR PURCHASES FROM PRODUCTION AND MARKETING ADMINISTRATION

U S DEPARTMENT OF AGRICULTURE

NEG 46665 BUREAU OF AGRICULTURAL ECONOMICS

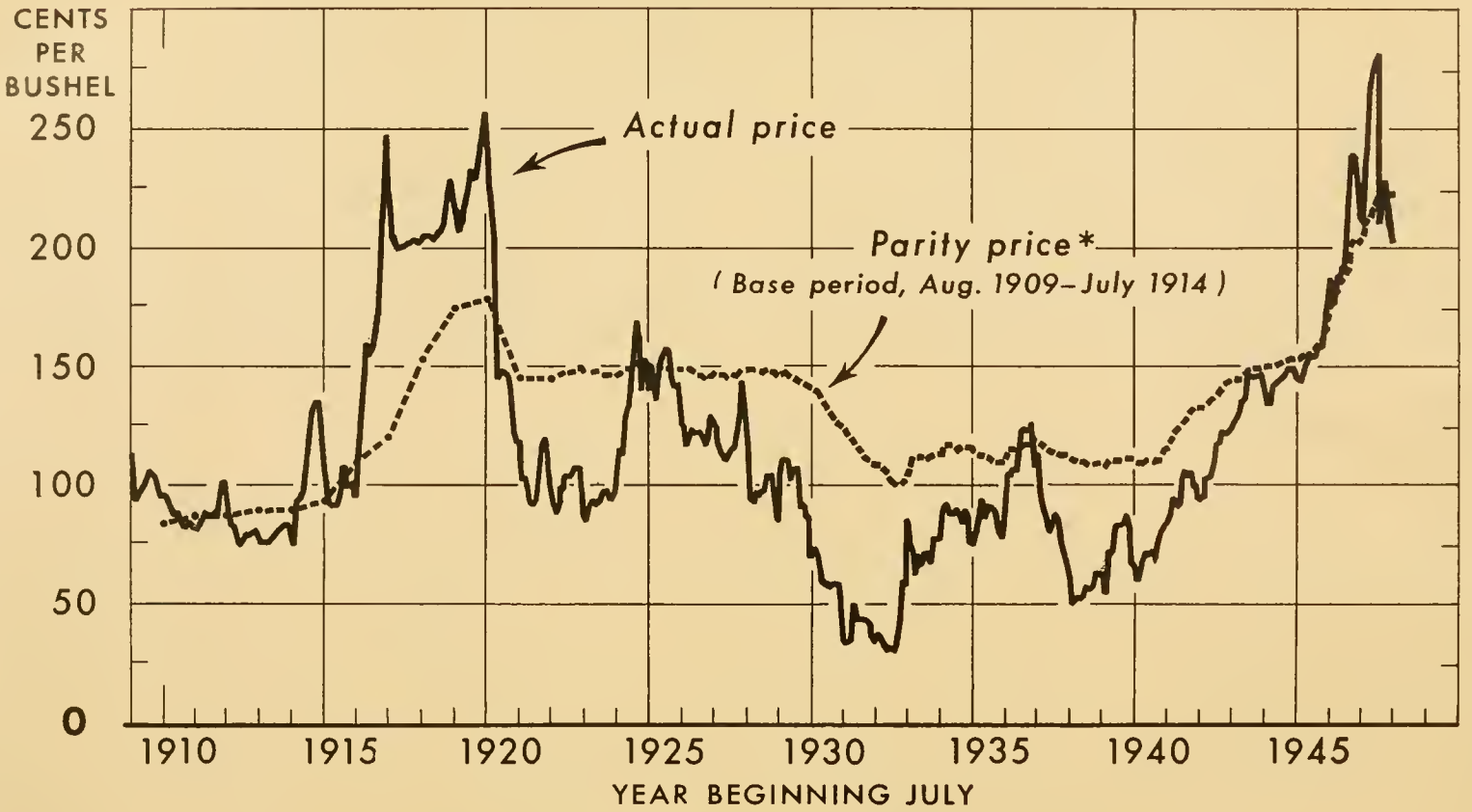
Despite record crops, wheat prices have increased in the past few years because of the very large export demand, above-normal demand within the United States, and a rise in the general price level. In 1947-48 wheat prices were strengthened because corn supplies were too small to provide substantial exports in addition to feed requirements. Exports of corn and corn products October 1947 to September 1948 totaled only about 11 million bushels compared with 131 million bushels a year earlier. Wheat for export has been purchased largely by the Commodity Credit Corporation, while over half of the flour for export has been purchased by the commercial trade.

Among the factors contributing to price changes since July 1, 1946 (numbers refer to numbers on chart) are the following:

1946-47 Year.- (1) Adjustment of price to 1946 new-crop supplies. (2) Price effect of record crop offset by large demand; CCC purchases heavy; transportation inadequate and supplies in market centers small. (3) Car shortage acute. (4) Coal cars, made available by coal strike, used to relieve shortage. (5) Terminal supplies small; export demand large; some price bearishness from high winter wheat forecast; January CCC purchases heavy. (6) Effect of huge export demand on supplies recognized; export program expanded as winter wheat prospects continued excellent; CCC purchases insignificant. (7) General reaction to sharp advance; CCC purchases mostly nominal. (8) Good demand for limited remaining supplies. (9) Seasonal decline to within 8 cents of loan level on July 7; CCC purchases heavy.

1947-48 Year.- (10) Increased buying by mills and elevators in face of limited market supplies, small corn crop reported July 10. (11) Market receipts generally adequate to take care of demand; CCC purchases heavy. (12) Corn crop prospects continue poor; Canadian crop deteriorated; Conservation Program interpreted as indicating urgency of maximum exports; purchases for export July-October seasonally heavy. (13) Announcement that CCC purchases exceeded July-December quota by 57 million bushels; feed estimate for year reduced. (14) Large export needs reemphasized; low carry-over feared; CCC purchases mostly small. (15) Carry-over July 1, 1948 set by law at a minimum of 150 million bushels; winter wheat report on December 18 higher than generally expected; with light wheat feeding reported, exports of 450 million bushels still probable; market week over holidays. (16) Wheat prices reflect strength in corn; expected increase in marketings beginning of new tax year did not materialize. (17) Price break of over 55 cents from February 3 through 13 followed a decline of about 19 cents between January 16 and February 3. Contributing factors include: (a) Prices had advanced too far in view of the large supply still remaining and the fact that export purchases were largely already made. (b) Feeding of wheat lighter than expected. (c) Market receipts of corn were much larger and feed prices continued very high in relation to prices of livestock and livestock products. (d) Marked improvement in crop prospects was reported for most importing countries. (e) Weather through January was favorable for our winter wheat crop. (18) Conditions unsettled following the sharp price break; reactions to weather reports. (19) Downward adjustment to new crop conditions; April 1 forecast 3 percent above December 1; CCC purchases which started in March, continue heavy.

WHEAT: PRICE RECEIVED BY FARMERS AND PARITY PRICE, UNITED STATES, BY MONTHS, 1909-48



*PARITY PRICE NOT AVAILABLE BY MONTHS, 1910-22

U. S. DEPARTMENT OF AGRICULTURE NEG. 39712-X BUREAU OF AGRICULTURAL ECONOMICS

Wheat prices, except for August 1946 and February 1948 were above parity from early May 1946 to May 1948. Since 1920, prices received by farmers for wheat have risen above parity in 1924-25, 1925-26, and 1936-37. In addition to the past 2 years. In 1924, foreign demand for United States wheat increased as a result of a very small crop in Canada. In 1925, the crop in the United States was small, and in 1936-37 United States supplies were greatly reduced following 4 years of short crops. In World War I, the world supply was small, compared with demand, and prices in the United States rose considerably above parity. Since 1941, both the supply and demand were very large.

Large scale exports began in late 1944. Until the present year, the world import needs for wheat have exceeded the supply available for export in surplus producing countries. This year, with continued good crops around the world, supplies may be large enough to about take care of expected demand at current prices and may thereby mark a turning point at which supplies will begin to allow for the rebuilding of stocks.

Since the end of the war, exports of wheat and flour from North America have been very large in relation to exports from Argentina and Australia. This was made possible by record crops in the United States at a time when production in Argentina and Australia was below average. With prewar yields per acre, crops would have been smaller in the United States and larger in Argentina and Australia, and the proportion of United States exports sharply smaller.

Wheat Prices in 1949-50 Likely to Average Close to Loan

With prospects that exports will be much lower than they have been since 1945 and with a high support level assured for 1949-50 and no acreage allotments or marketing quotas for the 1949 crop, production next year is expected to exceed total disappearance and leave the carry-over July 1, 1950 above average. As a result, prices are expected again to decline below the loan level following harvest, and average close to the loan level for the marketing year as a whole. Prices for 1949 wheat would average higher than the loan level if growing conditions should be much below average, or if exports should turn out to be materially more than expected. As provided in The Agricultural Act of 1948, loan rates for the 1949 marketing year will be 90 percent of parity as calculated in the current parity formula. The parity index next year is likely to be less than this year. Lower feed grains and feed stuffs purchased by farmers may reduce the parity index and reduce the loan level by 5 to 10 cents per bushel.

THE CURRENT DOMESTIC WHEAT SITUATION

BACKGROUND: —An abnormal world demand for bread grains has made it possible to export the excess over domestic needs from four successive record wheat crops in the United States. Furthermore, the carry-over was cut down to very low levels on July 1, 1946 and 1947 (figure on page 1, table on page 19).

Net exports from the United States have exceeded 300 million bushels only in 1914-15, 1920-21, and in the 3 years beginning with 1945-46. Very small U. S. wheat crops in 1933-36 together with drives toward greater self-sufficiency in importing countries greatly reduced exports in the 30's, and the war curtailed shipping in the early 40's. In 1921-30 net exports from the United States averaged 177 million bushels, while in the 35 years since 1909, leaving out the years of net imports, net exports averaged 169 million bushels.

Wheat prices to growers advanced from an average of 68 cents per bushel in 1940-41 to a record high of $2.81 in mid-January 1948, and a record season average of about $2.29 for the 1947 crop (figure on page 8). Until 1943-44, the loan program was the most important factor in domestic wheat prices. Beginning in that year heavy exports of wheat have been the chief price factor 2/. However, domestic use also has been above average. The 1947-48 prices reflected the reduction in supplies of feed grains, the additional demand resulting from the lack of corn and other grains for exports, and the rise in the general price level.

Domestic Wheat Supplies in 1948-49 Near Record; Domestic Disappearance Still Above Prewar

The 1948 wheat crop was estimated at 1,284 million bushels as of August 1. A crop of this size is second only to the 1,365 million bushels in 1947. With a carry-over July 1, 1948 of 195 million bushels, supplies of domestic wheat totaled 1,479 million bushels, which is second only to domestic supplies of 1,600 million bushels in 1942-43 when beginning stocks were at a record high of 631 million bushels.

Domestic disappearance in 1948-49 may total about 750 million bushels, including 510 million bushels for food, 150 million for feed, and 90 million for seed and alcohol. This estimate of domestic disappearance is above the prewar average of 678 million bushels, about the same as in the past 2 years, but much less than other recent years when large quantities were used for feeding livestock. Out of a total supply of 1,479 million bushels a disappearance of this size would leave about 730 million bushels for export and carry-over.

Marketing Year Exports May Total At Least 450 Million With Carry-Over About 275 Million

On the basis of estimated supplies which may be available in other exporting countries and probable takings by importing countries, exports from the United States may total at least 450 million bushels. On the basis of 450 million bushels, a carry-over July 1, 1949 of about 275 million bushels would be indicated as compared with the prewar 1932-41 average of 235 million bushels.

2/ The figure on page 8 and table on page 14 in The Wheat Situation, issue of May-July 1948 show the price of No. 2 Hard Winter Wheat at Kansas City and the annual loan rate beginning with July 1937.

About 147 million bushels of wheat (including flour in terms of wheat)--about a third of 450 million--have already been allocated or committed for export in July-September, and actual exports are running ahead of their allocations.

The Commodity Credit Corporation's part of the July-September program totals 122 million bushels, consisting of 103 million bushels of wheat and 19 million of flour (wheat equivalent). Commercial allocations through September, including an estimate of the quantity to nonquota countries, total 35 million bushels, all but 2-1/2 million is flour (wheat equivalent). Purchases by the Commodity Credit Corporation, July 1 through August 30, plus stocks on hand July 1 totaled about 158 million bushels, consisting of 138 million bushels of wheat and 20 million of flour in wheat equivalent. This is adequate for the flour export program through September and more than adequate for the wheat program through October.

As a result of the favorable August crop report, the Department of Commerce on August 20 announced that export licenses will not be required for shipments of wheat and flour to the Philippines and to the countries of the Western Hemisphere after August 27.

Wheat Prices Have Advanced But Are Still Below the Loan

Prices of new crop wheat are still generally below loan rates 3/, although there has been considerable improvement compared with the extreme low on August 2, which at Kansas City was about 18 cents under the loan. On August 30 prices for ordinary protein are about 3 cents below the loan at Kansas City and Minneapolis. The improvement in prices which has occurred reflects some improvement in the storage situation. Storage is still tight, but the country movement has slowed down, movement to terminals has been sufficient to open many local elevators, and terminal congestion has been relieved to some extent by a heavy movement of wheat into export. With prices at loan rates assured either through loans or purchase agreements, farmers in the Southwest are resisting further sales below the loan. In the Spring Wheat area , farmers are now experiencing conditions similar to those which prevailed earlier in the Southwest. Weather has been wet, which has delayed combining, and the storage situation is becoming more acute, with demand for space not only for wheat, but also for oats, rye, barley, and flax.

THE WORLD WHEAT SITUATION

BACKGROUND.- On July 1, 1943, stocks in the four principal exporting countries were a record of 1,737 million bushels. By July 1945, however, they were down to 618 million bushels. In 1946 they were 587 million and in 1947 were 385 million. Greatly increased disappearance was caused by wartime depletion of food supplies in importing countries and by poor crops in many areas. Stocks on July 1, 1947 were the smallest since 1938, about 16 percent less than the 1935-39 average of 458 million bushels.

3/ Loan rates for 1948 with comparisons are shown in The Wheat Situation, issue of May-July 1948, table 5, page 14.

Exportable Supplies Smaller Than in 1947-48:
European Import Needs Continue Large

Exportable wheat supplies for 1948-49 from the four principal exporting countries--United States, Canada, Australia and Argentina--are tentatively estimated at about 850 million bushels, 450 million of which would be from the United States. Other countries, including the Soviet Union may possibly export another 50 million, making a total for 1948-49 of about 35 million bushels less than the 935 million bushels exported in 1947-48, when exports from other countries totaled about 50 million bushels.

Roughly, it is expected that about two-thirds of such a quantity will go to European countries participating in the European Recovery Program. Exports of this size to those countries, in addition to currently estimated domestic production, would provide a per capita consumption of wheat approaching prewar levels for the area as a whole, if no allowance is made for rebuilding stocks to the prewar level. However, in addition to a substantial increase in population, these countries have a low level of reserve stocks of all food products, and there is continued need for using food grains as a substitute for other foods in short supply, particularly meat and other animal products.

July 1 Wheat Stocks in 4 Exporting
Countries Up 150 Million Bushels

Wheat stocks in the 4 principal exporting countries--United States, Canada, Argentina, and Australia--at 535 million bushels, were 150 million bushels or 39 percent above 1947, when stocks were the lowest since the record of 1,737 million bushels in 1943. While stocks this year cannot be considered large, they are 17 percent above the 1935-39 average of 458 million bushels.

With a 111 million-bushel gain in the United States, the net change in the other three countries amounted to 39 million bushels. The next largest increase, 54 million bushels, was in Australia, where the stocks of a year earlier reflected the poor crop of that year. Stocks in Argentina were 5 million larger, while those in Canada were 20 million smaller. Stocks by countries for 1948 with comparisons are shown in table on page 22.

A distinction between July 1 stocks in North America and in Argentina and Australia should be noted. That date marks the approximate beginning of the marketing year in North America and the stocks approximate carry-over stocks for North America. In Southern Hemisphere countries, however, stocks on that date include supplies for domestic use and export up to December when the new crop year begins in those countries.

Bread Grain Production in Northern Hemisphere
Estimated at about Prewar Level

Present prospects indicate that the 1948 bread grain crop in the Northern Hemisphere may be about 10 percent above the small 1947 production, and at about the prewar (1935-39) level. Total output of bread grains in North America is much above average and in Asia is estimated to be moderately above average, as well as larger than in 1947. In both Continental Europe and the Soviet Union, however, production is still well below average, though substantially above last year's low figures.

In North America the combined outturn of wheat and rye is expected to be only about 3 percent below last year's record crop. The United States wheat crop of 1,284 million bushels is about 525 million larger than the prewar average. The preliminary estimate of the Canadian wheat crop is 372 million bushels, which compares with 341 million in 1947 and the prewar average of 312 million. Cool weather with general rains helped fill the grain and offset earlier damage due to drought. The rye outturn in the United States is about the same as in 1947 and much below average because acreage has been curtailed sharply in recent years. The rye crop in Canada is estimated at 26 million bushels, sharply above the 13 million bushels harvested last year.

The total outturn of bread grains in Europe is sharply above the small 1947 harvest, though about 10 percent below the 1935-39 average. The expected wheat crop of 1,460 million bushels would be about 445 million bushels or 44 percent larger than the poor 1947 harvest, but 8 percent less than the prewar average. In addition to a good bread grain crop, there are good prospects in Europe for potatoes and other vegetables.

Crops are especially good in western Europe. The wheat crop in France, estimated at 275 million bushels, shows an increase of about 85 percent compared with the 1947 harvest, and is only slightly below average. Above average yields on an increased acreage account for the substantial increase. Good crops, though below average, are expected in Italy and Spain. Yields are near average in these countries, but acreage is not up to the prewar level.

Favorable conditions in the Balkan countries have resulted in a crop considerably larger than in 1947, though not up to average. Yields are near average, but acreage is still below prewar. Some exportable surplus is reported from this traditionally surplus area, especially in Rumania. Prospects in Central Europe are also considerably better than in 1947.

Unusually favorable conditions were reported from the United Kingdom during the growing season and yields were forecast to be better than average. Unfavorable weather at harvest time, however, in both the United Kingdom and France was reported to have caused some damage.

European rye production is tentatively estimated at about 635 million bushels, compared with 495 million in 1947 and 763 million in 1935-39. Larger crops than in 1947 are general. The bulk of the gain, however, is estimated for Poland and Germany, the largest producers of the area. Yields in both countries are estimated to be somewhat below average, though larger than a year ago.

Wheat production in Africa is slightly larger than in 1947 but still below average. Production in Egypt is placed at 40 million bushels, about the same as in 1947. The crop is slightly smaller in French Morocco and Tunisia, but these reductions are more than balanced by the substantial increase to 40 million bushels for Algeria, compared with last year's harvest of 28 million bushels.

Bread grain production in the Soviet Union is forecast to be larger than in 1947, but still well below average. The final outturn will, however, depend to a great extent on weather conditions in Siberia and other eastern regions during the harvest. A considerable increase in the wheat acreage is responsible for the larger outturn, with yields below those of 1947. The rye harvest is expected to be a little below the 1947 crop. Conditions have been variable, with drought during the critical growing period indicated to have reduced the yields of spring wheat over much of the important Volga area. Good conditions were reported during the growing season in the southern winter-wheat area from which exports normally originate.

Larger than average wheat crops are reported for most of the principal producing countries of Asia. The crop in China is now estimated to be 25 percent above average and in Turkey about 20 percent above average. The outturn is also larger than in 1947 for both countries. India's crop appears to be slightly below average though 20 percent larger than in 1947. The crop in Japan is still below average but better than a year ago. Turkey is the only country in this area reporting rye production, which is reported this year to be smaller than in 1947.

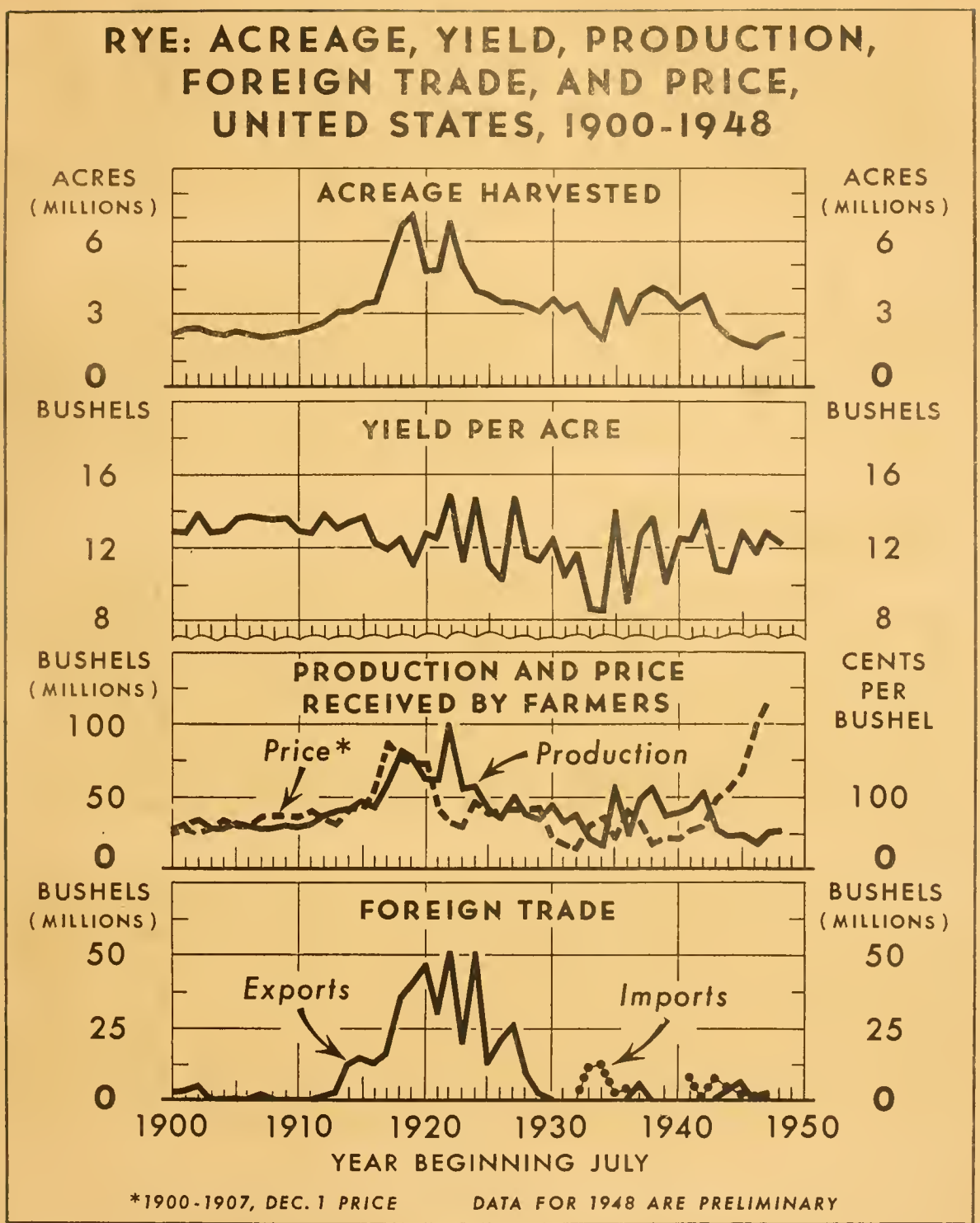
In Australia, where the harvest takes place in December, growing conditions are reported as favorable, except for the need of more rain in the South. Acreage is expected to be 5 percent or more below the 14.5 million acres seeded last year. Conditions are reported as generally favorable in Argentina, except in north Santa Fe. The acreage continues at a very low level.

THE OUTLOOK FOR RYE

Rye Goal Calls for Increased Production

For the past 6 years rye acreage and production (figure on next page, table on page 17) have been small. This is largely because of the competition from other crops for available land. While it is not practical to attempt to equal the level of production of former years, more rye would be used if supplies were larger. The carry-over has been far below average in recent years and it seems desirable to start building up more adequate reserves.

The goal of 2.5 million acres recommended for 1949 is only 2 percent larger than the 1948 goal, but it is about 300 thousand acres or about 14 percent more than the acreage indicated for harvest in 1948. With average yields on the goal acreage, production next year would be about 30 million bushels, compared with 26.7 million bushels in 1948. This would provide for some increase in domestic consumption in 1949-50, and still provide an increase of possibly 3 million bushels in the carry-over on July 1, 1950.



U. S. DEPARTMENT OF AGRICULTURE NEG. 46025-X BUREAU OF AGRICULTURAL ECONOMICS

Rye was harvested in 1948 on a total of 2.19 million acres, which is 8 percent above 1947, but 28 percent below the 1937-46 average. Both acreage and production have been small for the past 6 years. Yield at 12.2 bushels in 1948 was slightly above the 1937-46 average of 12.1 bushels. In 1947-48 rye prices advanced to the highest level in our history, reflecting the short supplies of feed grains as well as of rye, and the rise in the general price level.

Rye acreage has declined sharply since World War I. Rye yields were quite stable until 1916 but have varied considerably since the expansion in the Great Plains, which began during World War I. In contrast to 1918-24, when exports were very large, imports have been larger than exports in 10 or the past 15 years.

Prices for the 1947 rye crop were the highest of record. This reflects the short supplies of feed grains and rye as well as the rise in the general price level. Prices received by farmers averaged $2.26 per bushel compared with $1.92 for the 1946 crop (table on page 18). With abundant grain supplies in this country and a greatly improved supply situation in Europe, prices are now sharply lower than a year ago, and they are expected to continue below 1947-48 in the years immediately ahead. At Minneapolis the weighted price of No. 2 Rye for July averaged about 75 cents below a year earlier (table on page 18).

The national average rye loan to growers for the 1948 crop is $1.29. Loans are made on farm-stored and warehouse-stored rye until December 31, 1948. Loans mature April 30, 1949, or earlier on demand. County and terminal rates are established at levels reflecting to producers 72 percent of rye parity as of April 15, 1948. Rye produced in 1948 and grading No. 2 or better, or grading No. 3 solely on the factor of test weight but otherwise grading No. 2 or better, is eligible for loan.

Current Year's Rye Supplies Again Small

Domestic supplies of rye for 1948-49, indicated at 30 million bushels, will be the smallest in nearly 50 years, with the exception of the past 2 seasons. Carry-over stocks of 3.3 million bushels on July 1, were only about 15 percent of the 10-year average, but were 1 million bushels larger than a year earlier. The crop forecast at 26.7 million bushels is 3 percent larger than last year, but 29 percent below the 1937-46 production. It is expected that in 1948-49 food and feed use may be somewhat above 1947-48. With larger supplies of wheat available exports of rye undoubtedly will be below the 2.7 million bushels exported last year.

Disappearance of rye in the 1947-48 year was the second smallest in 23 years of record and totaled 25 million bushels compared with 20 million the year before and the 10-year average of 44 million. Consumption of rye for industrial and beverage alcohol amounted to 6.7 million bushels compared with 4.2 million in 1946-47 and 8.3 million in 1945-46. About 5.6 million bushels were used as food, which was about the same as in 1946-47, but 1.7 million bushels under the 10-year average. Disappearance for feed totaled only about 5 million bushels, the smallest amount since 1934. The rye supply and distribution table beginning with 1934 is shown on page 17 in The Wheat Situation, issue of May-July 1948.

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A discussion of the Agricultural Act of 1948

relative to wheat begins on page 23.

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Table 1.- Rye: Acreage, yield, production, foreign trade, and price, United States, 1901-48

Year beginning July	Acreage harvested	Yield per acre	Production	Exports 1/	Imports 1/	Price received by farmers 2/
	1,000 acres	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	Cents per bu
1901	2,409	12.8	30,773	2,712	---	55.7
1902	2,444	13.9	33,862	5,445	1	50.8
1903	2,260	12.8	28,932	784	34	54.5
1904	2,205	12.9	28,461	30	21	68.8
1905	2,297	13.6	31,173	1,388	1	61.1
1906	2,154	13.7	29,609	770	1	58.9
1907	2,073	13.6	28,247	2,445	2	2/73.1
1908	2,130	13.5	28,650	1,296	1	2/74.5
1909	2,212	13.6	30,083	242	30	74.6
1910	2,262	12.9	29,098	40	227	73.4
1911	2,452	12.8	31,396	31	134	81.0
1912	2,724	13.9	37,911	1,855	1	68.7
1913	3,089	13.1	40,390	2,273	37	62.9
1914	3,144	13.4	42,120	13,027	147	83.3
1915	3,417	13.7	46,752	15,250	566	85.0
1916	3,528	12.2	43,089	13,703	428	113.0
1917	5,059	11.9	60,321	17,186	854	176.4
1918	6,694	12.5	83,421	36,467	638	152.1
1919	7,168	11.0	78,659	41,531	1,077	145.9
1920	4,825	12.8	61,915	47,337	452	146.4
1921	4,851	12.6	61,023	29,944	700	84.0
1922	6,757	14.9	100,986	51,663	99	63.9
1923	4,936	11.3	55,961	19,902	2	59.3
1924	3,941	14.8	58,445	50,242	1	95.2
1925	3,800	11.1	42,316	12,647	---	79.1
1926	3,419	10.2	34,860	21,698	1	83.0
1927	3,458	14.8	51,076	26,346	2	83.5
1928	3,310	11.5	37,910	9,844	1	83.6
1929	3,138	11.3	35,411	2,600	1	85.7
1930	3,646	12.4	45,383	227	88	44.4
1931	3,159	10.4	32,777	909	1	34.1
1932	3,350	11.7	39,099	311	14	28.1
1933	2,405	8.6	20,573	21	12,019	62.8
1934	1,921	8.5	16,285	---	12,250	72.0
1935	4,066	14.0	56,938	9	2,266	39.8
1936	2,694	9.0	24,239	248	3,943	81.2
1937	3,825	12.8	48,862	6,578	---	68.2
1938	4,087	13.7	55,984	784	1	33.8
1939	3,822	10.1	38,562	732	---	43.9
1940	3,204	12.4	39,725	245	1,392	3/41.9
1941	3,573	12.3	43,878	23	8,758	53.9
1942	3,792	14.0	52,929	450	1,490	59.8
1943	2,652	10.8	28,680	594	8,314	98.1
1944	2,132	10.6	22,525	3,144	4,149	109.0
1945	1,856	12.9	23,952	7,196	1,996	135.0
1946	1,607	11.8	18,897	574	1,641	192.0
1947 4/	2,022	12.8	25,977	2,655	41	229.0
1948 4/	2,187	12.2	26,664			

1/ From reports of Department of Commerce of the United States. Includes flour, 2/ December 1 price, 1900-1907. 3/ Beginning 1940 includes unredeemed loans at average loan value. 4/ Preliminary.

Table 2.- Rye, No. 2: Weighted average price per bushel of reported cash sales, Minneapolis, by months, 1940-48 1/

Year beginning July	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Wtd. av.
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cent
1940	43.9	41.2	43.6	47.8	50.2	50.0	52.6	50.2	52.4	56.5	58.1	56.6	50.
1941	54.9	61.7	67.8	60.0	64.1	67.8	80.3	78.1	75.5	71.8	69.3	60.3	65.
1942	60.6	58.8	64.6	59.1	59.3	70.3	74.7	79.2	82.9	80.9	87.2	94.1	73.
1943	101.2	95.4	101.4	108.5	111.0	120.2	127.0	122.5	123.5	127.1	119.4	112.1	108.
1944	113.0	112.1	103.1	114.8	113.1	114.3	122.8	123.5	127.2	135.9	139.2	155.3	122.
1945	152.8	144.2	151.3	164.3	183.9	175.2	198.4	212.9	235.9	269.8	284.2	---	171.
1946	209.0	195.2	223.5	239.2	267.6	279.3	285.7	310.8	353.9	310.8	319.2	302.9	255.
1947	254.1	246.6	281.7	285.3	282.4	276.9	276.3	241.0	256.2	253.0	241.2	224.7	264.
1948	178.3												

Compiled from Minneapolis Daily Market Record, Average of daily prices weighted by carlot sales.

1/ Data for earlier years in The Wheat Situation as follows: 1915-32, June 1937, page 16, 1933-39, March-April 1945, page 18.

Table 3.- Rye: Average price per bushel received by farmers United States, 1930-48 1/

Year beginning July	July 15	Aug. 15	Sept. 15	Oct. 15	Nov. 15	Dec. 15	Jan. 15	Feb. 15	Mar. 15	Apr. 15	May 15	June 15	Crop year average
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1930	43.6	53.0	53.1	47.6	41.6	41.1	37.4	34.9	34.3	32.8	33.0	31.4	44.4
1931	33.0	32.5	33.2	33.6	41.4	36.8	36.8	36.3	37.7	36.6	33.4	28.8	34.1
1932	22.0	23.3	23.6	22.3	22.1	21.1	22.7	21.9	22.8	30.1	38.9	43.5	28.1
1933	78.2	58.8	61.4	52.7	55.4	51.9	53.6	54.2	53.1	52.8	51.9	58.2	62.8
1934	61.8	73.9	79.1	75.0	71.9	74.4	73.1	69.3	66.5	66.0	62.0	53.7	72.0
1935	36.0	35.5	36.5	42.1	40.4	40.0	41.4	44.4	42.9	40.8	40.6	43.8	39.8
1936	61.1	75.1	79.5	80.4	81.5	90.0	97.9	98.9	95.8	99.9	96.0	85.3	81.2
1937	81.0	70.6	68.1	63.8	60.8	59.2	64.1	63.4	58.7	52.2	49.8	46.0	68.6
1938	41.4	32.4	32.0	32.9	32.1	32.3	34.7	33.9	32.9	33.0	36.4	39.1	33.8
1939	34.3	34.2	44.0	45.1	44.6	52.3	56.7	55.7	55.6	57.1	52.4	40.3	43.9
1940	38.3	36.8	38.3	40.5	42.8	41.3	43.6	41.2	43.1	46.5	48.1	47.1	1/42.0
1941	46.4	49.4	57.3	51.3	54.2	57.8	65.2	66.0	64.3	60.7	59.4	52.4	54.2
1942	51.3	49.2	55.2	52.9	50.4	56.3	61.3	64.1	68.9	69.5	71.9	79.7	60.3
1943	90.9	88.6	94.5	101.0	102.0	107.0	111.0	111.0	111.0	112.0	111.0	105.0	98.2
1944	107.0	108.0	102.0	108.0	108.0	106.0	109.0	108.0	109.0	111.0	112.0	121.0	109.0
1945	122.0	124.0	131.0	138.0	150.0	143.0	150.0	164.0	175.0	195.0	192.0	145.0	135.0
1946	176.0	168.0	191.0	199.0	207.0	218.0	218.0	233.0	281.0	247.0	245.0	240.0	192.0
1947	236.0	211.0	248.0	249.0	249.0	245.0	247.0	194.0	214.0	217.0	212.0	191.0	226.0
1948	172.0	146.0											

Based on returns from special price reporters. Monthly prices, by States, weighted by production to obtain a price for the United States; average for the year obtained by weighting State price averages for the crop marketing season. Includes an allowance for unredeemed loans at average loan value

1/ Data 1908-1929 in The Wheat Situation, Sept.-Oct. 1945, page 14.

Table 4.- Wheat: Supply and distribution in continental United States, 1930-48

(Data for figures on cover page)

Year beginning July	Supply: Stocks July 1 1/	Supply: New crop	Supply: Imports 2/	Supply: Total supply	Distribution: Domestic disappearance: Processed for food 3/	Distribution: Domestic disappearance: Feed	Distribution: Domestic disappearance: Seed	Distribution: Domestic disappearance: Industrial use	Distribution: Domestic disappearance: Total	Distribution: Exports including shipments 4/
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
1930	291.1	886.5	0.4	1,178.0	489.6	179.5	81.1	---	750.2	115.3
1931	312.5	941.5	5/	1,254.0	482.8	190.2	80.1	---	753.1	125.6
1932	375.3	756.3	5/	1,131.6	492.4	142.7	83.8	5/	718.9	34.9
1933	377.8	552.2	0.1	930.1	448.4	102.3	78.1	5/	628.8	28.4
1934	272.9	526.1	15.5	814.5	459.1	113.4	82.7	0.1	655.3	13.3
1935	145.9	628.2	34.6	808.7	472.6	101.0	87.5	0.1	661.2	7.1
1936	140.4	629.9	34.5	804.8	477.9	115.8	95.9	0.1	689.7	12.3
1937	1/ 83.2	873.9	0.6	957.7	474.6	133.5	93.1	5/	701.2	103.4
1938	153.1	919.9	0.3	1,073.3	481.4	158.1	74.2	0.1	713.8	109.5
1939	250.0	741.2	0.3	991.5	475.4	115.1	72.9	0.1	663.5	48.3
1940	279.7	814.6	3.5	1,097.8	478.5	123.1	74.3	0.1	676.0	37.1
1941	384.7	942.0	3.7	1,330.4	487.8	116.3	62.5	1.6	668.2	31.4
1942	630.8	969.4	1.0	1,601.2	537.0	291.0	65.5	54.3	947.8	34.5
1943	618.9	843.8	136.0	1,598.7	543.1	488.1	77.3	107.5	1,216.0	66.1
1944	316.6	1,060.1	42.0	1,418.7	537.0	287.0	80.4	82.3	986.7	152.8
1945	279.2	1,108.2	2.0	1,389.4	488.5	303.9	82.0	21.0	895.4	393.9
1946	100.1	1,153.0	---	1,253.1	494.2	190.6	86.5	0	771.3	398.0
1947 6/	83.8	1,364.9	---	1,448.7	498.3	180.2	91.4	0.6	770.5	483.3
1948 7/	194.9	1,284.3	---	1,479.2	510.0	150.0	90.0	0	750.0	454.0

1/ 1930-36, inclusive, some new wheat included in commercial stocks and merchant mills stocks; beginning with 1937 only old crop wheat is shown in all stocks positions. The figure for July 1, 1937, including the new wheat is 102.8 million bushels, which is used as year-end carry-over in the 1936-37 marketing year.
2/ Imports cover all wheat and flour, except wheat imported for milling in bond is excluded.
3/ Includes food for both civilian population and the military forces.
4/ Includes flour made only from domestic wheat and shipments to U. S. territories Beginning with 1940 includes military exports for relief and exports by the Department of Agriculture.
5/ Less than 50,000 bushels.
6/ Preliminary.
7/ Supply preliminary, distribution tentative.

Table 5.- Wheat, principal types: Acreage, yield per acre, and production, 1938-48 1/

Year of harvest	All wheat				
	Acreage			Yield per seeded acre	Production
	Seeded	Harvested	Seeded but not harvested		
	1,000 acres	1,000 acres	1,000 acres	Bushels	1,000 bushels
1938	78,981	69,197	9,784	11.6	919,913
1939	62,802	52,669	10,133	11.8	741,210
1940	61,820	53,273	8,547	13.2	814,646
1941	62,707	55,935	6,772	15.0	941,970
1942	53,000	49,773	3,227	18.3	969,381
1943	55,984	51,355	4,629	15.1	843,813
1944	66,190	59,749	6,441	16.0	1,060,111
1945	69,130	65,120	4,010	16.0	1,108,224
1946	71,536	67,075	4,461	16.1	1,153,046
1947	77,947	74,186	3,761	17.4	1,364,919
1948	77,715	71,502	6,213	16.5	1,284,323
	Winter wheat				
1938	56,464	49,567	6,897	12.1	685,178
1939	46,154	37,681	8,473	12.3	565,672
1940	43,536	36,095	7,441	13.6	592,809
1941	46,045	39,778	6,267	14.6	673,727
1942	38,855	36,020	2,835	18.1	702,159
1943	38,515	34,563	3,952	14.0	537,476
1944	46,821	41,125	5,696	16.1	751,901
1945	50,415	46,989	3,426	16.2	817,834
1946	52,195	48,350	3,845	16.7	870,725
1947	58,068	54,780	3,288	18.4	1,067,970
1948	58,185	52,639	5,546	16.9	981,415
	All spring wheat				
1938	22,517	19,630	2,887	10.4	234,735
1939	16,648	14,988	1,660	10.5+	175,538
1940	18,284	17,178	1,106	12.1	221,837
1941	16,662	16,157	505	16.1	268,243
1942	14,145	13,753	392	18.9	267,222
1943	17,469	16,792	677	17.5	306,337
1944	19,369	18,624	745	15.9	308,210
1945	18,715	18,131	584	15.5	290,390
1946	19,341	18,725	616	14.6	282,321
1947	19,879	19,406	473	14.9	296,949
1948	19,530	18,863	667	15.5	302,908
	Spring wheat other than durum				
1938	18,724	16,146	2,578	10.4	195,020
1939	13,520	12,023	1,497	10.6	143,052
1940	14,913	14,149	764	12.7	189,543
1941	14,064	13,633	431	16.2	227,585
1942	11,990	11,644	346	18.8	225,986
1943	15,333	14,714	619	17.8	272,832
1944	17,270	16,567	703	16.1	278,544
1945	16,689	16,127	562	15.4	257,550
1946	16,848	16,272	576	14.6	246,485
1947	16,927	16,481	446	14.9	252,966
1948	16,299	15,693	606	15.8	256,757
	Durum				
1938	3,793	3,484	309	10.5	39,715
1939	3,128	2,965	163	10.4	32,486
1940	3,371	3,029	342	9.6	32,294
1941	2,598	2,524	74	15.6	40,658
1942	2,155	2,109	46	19.1	41,236
1943	2,136	2,078	58	15.7	33,505
1944	2,099	2,057	42	14.1	29,666
1945	2,026	2,004	22	16.2	32,840
1946	2,493	2,453	40	14.4	35,836
1947	2,952	2,925	27	14.9	43,983
1948	3,231	3,170	61	14.3	46,151

1/ Data for earlier years as follows: 1919-28 in The Wheat Situation, August 1942, page 11-13; 1929-38 in The Wheat Situation, March-April 1943, pages 10 and 11.

Table 6.- Wheat: Weighted average cash price, specified markets and dates 1947-48

Month and date	All classes and grades six markets		No. 2 Hard Winter 1/ Kansas City		No. 1 Dark N. Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Soft White Portland 2/	
	1947	1948	1947	1948	1947	1948	1947	1948	1947	1948	1947	1948
Months:												
June	$2.56	$2.56	$2.37	$2.29	$2.72	$2.60	$2.38	$2.84	$2.59	$2.32	$2.28	$2.30
July	2.40	2.31	2.29	2.19	2.94	2.43	2.43	2.49	2.37	2.25	2.16	2.19
Week ended												
July 3	2.48	2.44	2.15	2.24	2.86	2.53	2.35	2.62	---	2.28	2.08	2.27
10	2.42	2.34	2.21	2.22	2.90	2.46	2.46	2.55	2.34	2.27	2.15	2.21
17	2.41	2.33	2.31	2.21	2.95	2.44	2.47	2.50	2.38	2.23	2.18	2.18
24	2.40	2.30	2.32	2.19	3.01	2.41	2.45	2.44	2.38	2.22	2.19	2.17
31	2.36	2.25	2.26	2.16	2.98	2.37	2.39	2.42	2.32	2.22	2.16	2.17
Aug. 7	2.39	2.18	2.29	2.12	2.90	2.29	2.45	2.36	2.37	2.08	2.20	2.18
14	2.43	2.21	2.29	2.16	2.81	2.33	2.48	2.35	2.37	2.13	2.22	2.18
21	2.51	2.24	2.34	2.18	2.70	2.33	2.55	2.37	2.44	2.19	2.25	2.18
28	2.56	2.23	2.43	2.19	2.60	2.32	2.61	2.36	2.48	2.25	2.28	2.17

1/ Beginning July 9, 1947 sales of hard and dark hard winter combined.
2/ Average of daily cash quotations.

Table 7.- Wheat: Average closing prices of September wheat futures, specified markets and dates, 1947-1948

Period	Chicago		Kansas City		Minneapolis	
	1947	1948	1947	1948	1947	1948
Month:						
June	$2.16	$2.31	$2.08	$2.22	$2.14	$2.29
July	2.29	2.30	2.20	2.21	2.31	2.27
Week ended						
July 3	2.17	2.31	2.09	2.23	2.16	2.29
10	2.27	2.31	2.18	2.24	2.29	2.29
17	2.34	2.30	2.24	2.21	2.35	2.27
24	2.36	2.29	2.26	2.21	2.38	2.27
31	2.29	2.28	2.21	2.19	2.32	2.23
Aug. 7	2.35	2.23	2.25	2.16	2.36	2.18
14	2.37	2.23	2.26	2.17	2.37	2.20
21	2.44	2.21	2.34	2.16	2.42	2.18
28	2.51	2.23	2.40	2.16	2.47	2.18

Table 8.- Wheat: Prices per bushel in three exporting countries, Friday nearest mid-month, Jan.-Aug., and weekly, July-Aug. 1948

Date (Friday)	HARD WHEAT: United States No. 1 D. N.Sp. 13 pct. protein at Duluth 1/	HARD WHEAT: Canada No. 2 Man. No. at Fort William 2/	HARD WHEAT: United States No. 1 D.H.W. Galveston 1/	SOFT WHEAT: United States No. 1 Portland 1/	SOFT WHEAT: Australia 1/
	Dollars	Dollars	Dollars	Dollars	Dollars
Friday mid-month					
Jan. 16	3.23	3.34	3.19	2.91	---
Feb. 13	2.52	2.59	2.345	2.10	---
Mar. 12	2.62	2.61	2.555	2.25	3.30
Apr. 16	2.79	2.69	2.615	2.40	---
May 14	2.62	2.71	2.525	2.37	---
June 11	2.57	2.55	2.375	2.30	---
July 16	2.40	2.47	2.33	2.18	2.89
Aug. 13	2.32	2.44	2.38	2.185	2.75
Weekly					
July 2	2.465	2.54	2.38	2.25	---
9	2.43	2.50	2.37	2.21	---
23	2.40	2.42	2.39	2.18	---
30	2.31	2.38	2.30	2.17	---
Aug. 6	2.23	2.39	2.335	2.18	---
20	2.26	2.40	2.355	2.175	---
27	2.29	2.39	2.37	2.175	---

1/ F.O.B. spot or to arrive. 2/ Fort William quotation is in store.

Table 9.- Estimated July 1 wheat stocks in four major exporting countries, average 1935-39 and annual 1940-46

Year	United States grain 1/	Canadian grain 2/	Argentina	Australia	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1935	146	230	107	68	551
1936	141	162	74	53	430
1937	83	53	61	52	249
1938	154	38	99	62	353
1939	251	126	264	65	706
1940	280	322	102	135	839
1941	385	517	201	75	1,178
1942	631	449	238	142	1,460
1943	619	630	288	200	1,737
1944	319	398	290	159	1,166
1945	279	314	175	50	818
1946	100	104	115	68	387
1947 3/	84	120	125	56	385
1948 3/	195	100	130	110	535

Data 1922-34 in Wheat Situation, August 1945, page 24.
1/ Includes United States wheat in Canada. Includes small quantities of new wheat prior to 1937.
2/ Includes Canadian wheat in the United States.
3/ Preliminary.

THE AGRICULTURAL ACT OF 1948 RELATIVE TO WHEAT

Present 90 Percent Support Extended to 1949 Crop

The recently enacted Agricultural Act of 1948 (Public Law 897 of 80th Congress, 2nd Session) provides for the continuation of price support at 90 percent of parity for the 1949 wheat crop. Under legislation previously in effect support at that level ended with the present crop. According to the terms of the new law, the program would be available if producers did not disapprove marketing quotas. However, as formally announced on July 15 there will be no wheat marketing quotas or acreage allotments for the 1949-50 wheat production and marketing year.

The loan rate for the 1949-crop wheat will be announced about June 30, 1949, and will be calculated as 90 percent of parity as of that time. This year, the index of prices paid, interest and taxes on June 15 was 251. Parity was $2.22, and 90 percent was $2.00.

Act Sets Up New Permanent Program Beginning in 1950

The New Agricultural Act also sets up a permanent agricultural program to go into effect in 1950. The permanent program is now contained in the Agricultural Adjustment Act of 1938, but the new Act supplements and modifies that Act in several important respects.

Since wheat is a "basic" commodity, it is subject to several conditions for acreage allotments, quotas, and price supports. Provisions under which acreage allotments are to be established are not changed from the 1938 Act.4/ Under that Act the national acreage allotment for any crop of wheat is that acreage which with average yields, will produce a crop, which with the estimated carry-over at the beginning of the marketing year, will make available a supply equal to a normal year's domestic consumption and exports plus 30 percent. A normal year's domestic consumption (food, feed, seed and industrial) and exports is the average of the 10 marketing years immediately preceding the marketing year in which such consumption and exports are determined, adjusted for trends.

For 1950, if no adjustment is made, this would be about as follows: 1939-40 to 1948-49 average domestic consumption of 839 million bushels plus domestic exports of 206 million bushels plus 30 percent equals 1,360 million bushels. Assuming a carry-over July 1, 1950 of 275 million bushels, this would leave 1,085 million bushels, which with average 1939-48 yields of 15.5 bushels per acre would indicate an acreage allotment for 1950 of about 70 million acres. A carry-over July 1, 1950 as low as 275 million bushels assumes average yields in 1949 on the goal acreage. If the 1949 goal should be exceeded, or if above average yields were obtained, or if disappearance were smaller the carry-over would be larger and the acreage allotment smaller.

4/ Act of 1948 provides for inclusion of imports in determination of total supply.

Conditions for proclaiming quotas are newly specified in the 1948 Act. Marketing quotas for wheat will be proclaimed for the following year when the total supply for the marketing year for which the determination is made is estimated to be more than 20 percent larger than the normal supply, or when the average price to growers in three successive months of the preceding marketing year has been 66 percent of parity or less, provided the supply is not less than the normal supply. These quotas will take effect unless disapproved by more than one-third of the growers voting in a referendum.

The normal supply for wheat in a given year is (1) the estimated domestic consumption in the preceding marketing year (food, seed, feed, and industrial use) plus (2) estimated exports for the year for which the normal supply is determined plus (3) an allowance for carry-over (15 percent of consumption and exports). In determining normal supply the Secretary shall make such adjustments for current trends in consumption and for unusual conditions as he may deem necessary 5/. Total supply in a given year is carry-over plus indicated production plus estimated imports.

In order to have the total supply in 1949 larger than the normal supply by the 20 percent necessary for marketing quotas in 1950-51 production would have to continue at very high levels. Let us assume a normal supply of 1,236 million bushels, made up of domestic consumption in 1948-49 of 750 million, exports in 1949-50 or 325 million, and a 15 percent allowance for carry-over of 161 million. To be not more than 20 percent larger than this, with a carry-over on July 1, 1949 of possibly 275 million bushels, the crop could not exceed about 1,200 million bushels 6/. With an average yield of 15 bushels per seeded acre, it would require about 80 million acres before marketing quotas could be proclaimed. However, with yields of 17 bushels, marketing quotas could be proclaimed if the acreage for the 1949 crop totaled about 71 million acres. In other words, since the acreage for the 1949 crop is expected to be below 80 million acres, no marketing quotas are indicated for 1950-51, provided yields turn out to be only about average. However, marketing quotas could be proclaimed if growing conditions are again favorable enough to result in yields 2 bushels above average for the 1949 crop. It is assumed that the acreage would not fall to 71 million acres.

New Parity Formula Changes
Parity Prices of Farm Products

The Agricultural Act of 1948 includes a new formula for computing parity prices of agricultural commodities which becomes effective after January 1, 1950. While the new formula is not designed to change the general level of parity prices, it increases the parity price of some commodities and lowers it for others. The purpose of the new formula is to bring the relationships among parity prices of the various farm products more nearly in line with the relation between actual prices of these products in recent years.

5/ In the accompanying tables, no adjustment in normal supply has been made for trends or unusual conditions

6/ This implies that the 1950 or long time provisions of the Act of 1948 apply to the 1950 wheat crop. Because of the fact that winter wheat is seeded the fall of 1949 there may be some doubt as to whether the Act applies to the crop harvested in 1950.

Parity prices for wheat and most of the major agricultural commodities as used in all agricultural legislation in the past 15 years have been based on the average prices received by farmers in the base period August 1909-July 1914. The parity price for a particular month has been computed by multiplying the base price of the commodity by the index of prices farmers pay for commodities they buy, including interest and taxes, (1910-14 - 100) for that month. Calculated in this way, parity prices of the various farm products change from month to month in line with changes in the index of prices paid by farmers. The relationship between the parity prices of the different products, however, does not change, since it is fixed by the relation between the actual prices received for the products in the base period August 1909-July 1914.

Over the past 30 years, however, the relationship between actual prices received for various farm products has changed greatly. The new formula for computing parity brings more nearly up to date the relationship between prices of various commodities. Under the new formula parity prices are computed for the individual commodities in such a way that the relationship between the parity prices of various commodities will be the same as the relationship between actual prices received for the commodities in the most recent 10 years.

The method of computing the parity price of wheat using the old formula and the new formula is illustrated below, using June 15 prices and indexes. The parity price of wheat on June 15, as figured under the old formula, is $2.22 per bushel. This is computed by multiplying the average prices received by farmers for wheat in the period August 1909-July 1914 (88.4 cents per bushel) by the June 15 index of prices paid by farmers, including interest and taxes (251 percent of 1910-14).

Under the new formula, the parity price of wheat for June would be computed so as to take into account the relationship between wheat prices and prices of all farm commodities in the past 10 years. The average price received by farmers for wheat from 1938 to 1947 ($1.22 per bushel) is divided by the index of prices received by farmers for all commodities during the same 10 years (168 percent of 1910-14). This gives an adjusted base price of 72.6 cents per bushel. The adjusted base price is multiplied by 251, the June 15 index of prices paid, to obtain a new parity price of $1.82 per bushel.

Illustration of method of calculating parity price of wheat as of June 15, 1948, under both present and new parity formulas

Present Parity Formula

(1)	Average price Aug. 1909-July 1914 (Dol. per bushel)	.884
(2)	Index of prices paid, interest, and taxes, June 15, 1948 (1910-14 - 100)	251.
(3)	Present parity June 15, 1948 (1 X 2) (Dol. per bushel) ...	2.22

New Parity Formula

(4)	Average price January 1938-December 1947 (Dol. per bushel)	1.22
(5)	Index of prices received by farmers, Jan. 1938-Dec. 1947, (Aug. 1909-July 1914=100)	168.
(6)	Adjusted base price (4 ÷ 5) (Dol. per bushel)	.726
(7)	Index of prices paid, interest, and taxes, June 15, 1948 (1910-14=100)	251.
(8)	New parity June 15, 1948 (6 X 7) (Dol. per bushel)	1.82

In the last 10 years wheat prices have been lower relative to other farm prices than they were in the base period August 1909-July 1914. It is because of this difference that the parity price of wheat is reduced from $2.22 under the present formula to $1.82 under the new formula.

As further example of this modification of parity prices, the new formula has been applied to actual price data for various commodities as of June 15, 1948, (the month in which the wheat loan rate is determined). Table 10 on the next page presents new-formula parity prices for wheat, feed grains, and livestock products on that date, and compares them with parity prices as now calculated, and with prices actually received by farmers in that month.

As shown in table 10 parity prices for wheat and other grains are reduced by the new formula, while for most livestock and their products they are raised. These changes reflect the change that has occurred in relationships between prices of these commodities since 1910-14, for prices of livestock generally have been comparatively higher than grains in recent years.

The figures in table 10 are, however, only illustrative. Parity prices in the table are based on the 10-year period 1938-47. New parity prices, when put into effect in January 1950, will be based on the 10-year period 1940-49, since the new formula is based on the latest 10-year period each year. For this reason, the parity prices computed by the new formula in 1950 and subsequent years may be changed from the relationships of June this year.

Provision for Transitional Parity Avoids Sharp Adjustment

Transitional parity prices are provided for those commodities for which the new parity prices are much below the parity under the present formula. If in 1950 the parity price for any commodity as computed by the new formula is more than 5 percent less than that as computed under the old formula, the change is to be made in transitional steps. In this event, the effective parity price will be reduced no more than 5 percent below the old parity price in 1950, an additional 5 percent or 10 percent below the old parity as calculated in June 1951, and so on until the old parity price has been reduced to the new parity price.

Table 10.-Illustrative comparison of parity price under new formula with present parity and with prices received by farmers as of June 15, 1948, for selected commodities 1/

Commodity	Unit	New parity price June 15, 1948	Present parity price June 15, 1948	New parity as percent of present parity	Prices received by farmers June 15, 1948	Prices received as percentage of: New parity	Prices received as percentage of: Present parity
		Dollars	Dollars	Percent		Percent	Percent
Wheat	Bu.	1.82	2.22	3/ 82	2.11	116	95
Corn	Bu.	1.42	1.61	3/ 88	2.16	152	134
Oats	Bu.	.821	1.00	3/ 82	1.07	130	107
Barley	Bu.	1.21	1.55	3/ 78	1.68	139	108
Grain sorghums	Cwt.	2.33	3.04	3/ 77	3.41	146	112
Hogs	Cwt.	18.70	18.20	103	22.90	122	126
Beef cattle	Cwt.	16.30	13.60	120	24.80	152	182
Veal calves	Cwt.	18.40	16.90	109	26.00	141	154
Sheep	Cwt.	8.53	11.40	3/ 75	10.20	120	89
Lambs	Cwt.	17.80	14.80	120	25.00	140	169
Wool	Lb.	.522	.459	114	.495	95	108
Chickens	Lb.	.304	.286	106	.305	100	107
Turkeys	Lb.	.366	.361	101	.376	103	104
Eggs	Doz.	2/.411	2/.475	3/ 87	.434	106	91
Milk, wholesale	Cwt.	2/3.73	2/3.58	104	4.61	124	129
Butterfat	Lb.	2/ .607	2/ .605	100	.827	136	137

1/ This is only illustrative, since the new parity formula will not be effective until January 1950. However, it is likely that relationships between present and new parity will be roughly similar in 1950 to those of June 15, 1948. 2/ Adjusted for seasonal variation. 3/ In 1950, the new parity would be no lower than 95 percent of "old" parity; in 1951, 90 percent; and so on until new parity level is reached.

To illustrate the buffer effect of this provision, if it is assumed that the new Act became effective in 1948, when the parity price under the new formula was $1.82, or 18 percent below the old parity of $2.22, the transitional parity price would be $2.11 instead of $1.82.

Price Support Rates Are Tied to Supply; Rates Higher When Marketing Quotas Are in Effect

The Act authorized the Secretary of Agriculture to support wheat prices through loans, purchases, payments, or other operations. The Act includes a schedule of minimum price supports with a moving floor ranging from 60 percent of parity when the total supply is more than 130 percent of the normal supply up to 90 percent of parity when the total supply is less than 70 percent of the normal. For just a "normal" supply the minimum support is 75 percent of parity. It should be pointed out that the schedule of price supports is a minimum level, and that the Secretary has authority to support wheat prices at as high as 90 percent of parity.

If acreage allotments or marketing quotas are in effect, the minimum support rates for cooperators are raised by 20 percent within the limit of 90 percent. A cooperator is defined as a producer who does not knowingly seed an acreage in excess of his allotment. If marketing quotas are proclaimed, but disapproved by more than one-third of the producers voting in a referendum, the quotas do not go into effect, and the support price level becomes 50 percent of the parity price.

There is one further qualification to the new price support structure. The Secretary is empowered to set a support higher than 90 percent of parity for a commodity when he determines, after public hearings, that higher supports are necessary in order to increase or maintain production in the interest of national security.

Table 11 on the next page illustrates the calculations of actual and normal supply and the supply percentage. Table 12 on page 30 gives the minimum support level percentages of the new parity prices for the various supply percentages. Table 11 also shows the computed new parities compared with the old. Table 13 on page 31 illustrates the application of supply, parity and support price provisions of the new Act to historical data. The support-price levels in table 13 are based entirely on the parity prices as defined by the Act without regard to transitional parity prices. Minimum support-price levels, without quotas, are given for each year; minimum support-price levels, with quotas, are given for each year in which the supply percentages indicate that quotas could be proclaimed. The minimum support-price level with quotas includes the premium of 20 percent of the support price.

Miscellaneous Provisions

The Agricultural Adjustment Act of 1933 is revised to make possible the application of fees or import quotas on any agricultural commodity if imports jeopardize the effectiveness of price support operations.

The Commodity Credit Corporation (with certain sales excepted) is directed not to sell any farm commodity owned or controlled by it at such levels as would substantially impair the effectiveness of current price support operations. This provision becomes effective January 1, 1950.

Beginning with the fiscal year 1950, any excess of Section 32 funds over current expenditures from this source may be accumulated up to a maximum of 300 million dollars.

After January 1, 1950, all references in other laws to parity or parity prices shall be deemed to refer to parity prices as determined in accordance with the new Act.

Table 11.- Wheat: Total supply, normal supply, supply percentage, and parity price beginning of season according to provisions of 1948 Act, United States, 1924-48

Year beginning July 1	Carry-over July 1	Production	Imports (flour included) 1/	Total supply	Domestic consumption preceding year	Exports & shipments (flour included) 2/	Allowance for carry-over (15 percent of (5) + (6))	Normal supply 3/ sum of (5), (6), and (7)	Supply percentage (4) ÷ (8)	Parity price beginning of season: New formula S. 2318	Parity price beginning of season: Present formula
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Percent	Dollars	Dollars
1924	137	842	4/	979	620	258	132	1,010	97	1.61	1.43
1925	108	669	2	779	613	97	106	816	95	1.65	1.51
1926	97	832	4/	929	585	209	119	913	102	1.61	1.49
1927	109	875	4/	984	611	194	121	926	106	1.58	1.48
1928	113	914	4/	1,027	678	144	123	945	109	1.54	1.49
1929	227	824	4/	1,051	656	143	120	919	114	1.47	1.47
1930	291	887	4/	1,178	617	115	110	842	140	1.36	1.42
1931	313	942	4/	1,255	750	126	131	1,007	125	1.14	1.26
1932	375	756	4/	1,131	753	35	118	806	140	.945	1.09
1933	378	552	4/	930	719	28	112	859	108	.872	1.02
1934	273	526	16	815	629	13	96	738	110	.991	1.13
1935	146	628	35	809	655	7	99	761	106	1.02	1.16
1936	140	630	34	804	661	12	101	774	104	.940	1.10
1937	5/ 83	874	1	958	690	103	119	912	105	1.01	1.20
1938	153	920	4/	1,073	701	110	122	933	115	.945	1.12
1939	250	741	4/	991	714	48	114	876	113	.904	1.09
1940	280	815	4	1,099	663	37	105	805	137	.925	1.10
1941	385	942	4	1,331	676	31	106	813	164	.965	1.14
1942	631	969	1	1,601	668	35	105	808	198	1.14	1.33
1943	619	844	136	1,599	948	66	152	1,166	137	1.22	1.43
1944	317	1,060	42	1,419	1,216	153	205	1,574	90	1.25	1.49
1945	279	1,108	2	1,389	987	394	207	1,588	87	1.31	1.52
1946	100	1,153	4/	1,253	895	398	194	1,487	84	1.35	1.65
1947	84	1,365	---	1,449	771	483	188	1,442	100	1.65	2.03
1948 6/	195	1,284	4/	1,479	770	450	183	1,403	105	1.82	2.22

Compiled from reports of the Bureau of Agricultural Economics, Production & Marketing Administration, Bureau of the Census, & Bureau of Foreign & Domestic Commerce.

General Note: These calculations utilize the historical data on production and carry-over. It should be understood that determinations made prior to the beginning of each marketing year would of necessity be based on very preliminary estimates and would probably have resulted in somewhat different supply percentages.

1/ Imports include full-duty wheat, wheat imported for feed, & dutiable flour in terms of wheat. Excludes wheat imported for milling in bond & export as flour, also flour in terms of wheat. (Footnotes continued on page 30.)

Table 12.- Wheat: Minimum price support levels as determined by supply percentages

With supply percentage		The minimum level of support is not less than the following percentage of the new parity price
More than	But not more than	
Percent	Percent	Percent
0	70	90
70	72	89
72	74	88
74	76	87
76	78	86
78	80	85
80	82	84
82	84	83
84	86	82
86	88	81
88	90	80
90	92	79
92	94	78
94	96	77
96	98	76
98	102	75
102	104	74
104	106	73
106	108	72
108	110	71
110	112	70
112	114	69
114	116	68
116	118	67
118	120	66
120	122	65
122	124	64
124	126	63
126	128	62
128	130	61
130	---	60

Footnotes for table 11 continued from page 29.
2/ Shipments are to Alaska, Hawaii, Puerto Rico and Virgin Islands. Includes military exports for civilian feeding. 3/ Normal supply does not include any adjustment for trends or unusual conditions. 4/ Less than 500,000 bushels. 5/ Some new wheat included, 1930-36. Beginning 1937, only old crop wheat is shown. 6/ Preliminary.

Table 13:-Wheat: Illustration of the application of supply, parity and support-price provisions of 1948 Act to historical data, United States, 1924-48

Year	Wheat: Supply percentage 1/	Wheat: 1948 Act parity beginning of season	Support price level: Minimum*: Without quotas: As percentage of parity 2/	Minimum*: Without quotas: Price per bushel 3/	Minimum*: With quotas 4/: As percentage of parity	Minimum*: With quotas 4/: Price per bushel	Maximum 5/: As percentage of parity	Maximum 5/: Price per bushel	Weighted season average per bushel
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Dollars
1924	97	1.61	76	1.22			90	1.45	1.25
1925	95	1.65	77	1.27			90	1.48	1.44
1926	102	1.61	75	1.21			90	1.45	1.22
1927	106	1.58	73	1.15			90	1.42	1.19
1928	109	1.54	71	1.09			90	1.39	0.998
1929	114	1.47	69	1.01			90	1.32	1.04
1930	140	1.36	60	0.816	72	0.979	90	1.22	.671
1931	125	1.14	63	.718	76	.866	90	1.03	.390
1932	140	0.945	60	.567	72	.680	90	.850	.382
1933	108	.872	72	.628			90	.785	.744
1934	110	.991	71	.704			90	.892	.848
1935	106	1.02	73	.745			90	.918	.831
1936	104	.940	74	.696			90	.846	1.02
1937	105	1.01	73	.737			90	.909	.962
1938	115	.945	68	.643			90	.850	.562
1939	113	.904	69	.624			90	.814	.691
1940	137	.925	60	.555	72	.666	90	.832	.682
1941	164	.965	60	.579	72	.695	90	.868	.945
1942	198	1.14	60	.684	72	.821	90	1.03	1.10
1943	137	1.22	60	.732	72	.878	90	1.10	1.36
1944	90	1.25	80	1.00			90	1.12	1.41
1945	87	1.31	81	1.06			90	1.18	1.50
1946	84	1.35	83	1.12			90	1.22	1.91
1947	100	1.65	75	1.24			90	1.48	2.31
1948	105	1.82	73	1.33			90	1.64	---

1/ Supply of wheat as a percentage of normal supply, table 11, col. 9. Normal supply does not include any adjustment for trends or unusual conditions. See general note bottom of page 29.

2/ Minimum support price percentage based on table 12.

3/ Percentage in col. 3 applied to parities in 1948 Act as of beginning of marketing season. Does not take into account transitional parity price.

4/ 1948 Act provides for a minimum premium of 20 percent of the support price when quotas are in effect.*

5/ 1948 Act provides that support price shall not be greater than 90 percent of the parity price as of the beginning of the marketing season except that support prices at a higher level may be undertaken when necessary in the national interest.

* The Act also provides for a minimum premium of 20 percent of the support price when acreage allotments are in effect. This is not taken into consideration in the above illustration, because in so doing it would necessitate adjustment in supplies in subsequent years.

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Table 14.- Durum Wheat: Supply and distribution, United States, 1941-48

Item	Year beginning July							
	1941	1942	1943	1944	1945	1946	1947	1948
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
SUPPLY								
Stocks, July 1								
Farm	7.0	14.0	12.0	6.8	5.4	2.2	2.7	5.9
Interior mills and elevators	9.3	10.4	6.0	1.1	1.3	0.3	0.6	2.0
Commercial	5.3	5.5	2.5	2.2	0.3	1.6	2.1	.5
Merchant mills	3.3	4.4	6.4	4.2	1.1	0.8	3.5	1.6
Total stocks, July 1	24.9	34.3	26.9	14.3	8.1	4.9	8.9	10.0
Crop	41.4	41.8	34.3	30.3	33.3	36.3	44.6	46.9
Imports	1/	1/	0.8	3.1	1.2	0.4	1/	1/
Total supply	66.3	76.1	62.0	47.7	42.6	41.6	53.5	56.9
DISTRIBUTION								
Food 2/	18.8	23.0	19.0	24.4	21.1	18.8	21.9	
Seed	3.0	3.0	3.0	2.8	3.5	4.1	4.3	
Feed, cereal mfg. & other uses	9.1	22.3	24.3	10.8	11.9	6.3	2.7	
Total domestic	30.9	48.3	46.3	38.0	36.5	29.2	28.9	
Exports of durum	1.0	1/	1/	1/	1/	0.9	8.4	
Exports of products 3/	0.1	0.9	1.4	1.6	1.2	2.6	6.2	
Total exports	1.1	0.9	1.4	1.6	1.2	3.5	14.6	
Stocks, June 30	34.3	26.9	14.3	8.1	4.9	8.9	10.0	
Total distribution	66.3	76.1	62.0	47.7	42.6	41.6	53.5	

1/ Negligible.
2/ Total grind less exports of semolina, macaroni, etc. Includes military food, but excludes civilian relief feeding by the military which is included in exports.
3/ Semolina, macaroni, etc. in terms of durum.

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Table 14.- Durum Wheat: Supply and distribution, United States, 1941-48

Item	Year beginning July							
	1941	1942	1943	1944	1945	1946	1947	1948
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
SUPPLY								
Stocks, July 1								
Farm	7.0	14.0	12.0	6.8	5.4	2.2	2.7	5.9
Interior mills and elevators	9.3	10.4	6.0	1.1	1.3	0.3	0.6	2.0
Commercial	5.3	5.5	2.5	2.2	0.3	1.6	2.1	.5
Merchant mills	3.3	4.4	6.4	4.2	1.1	0.8	3.5	1.6
Total stocks, July 1	24.9	34.3	26.9	14.3	8.1	4.9	8.9	10.0
Crop	41.4	41.8	34.3	30.3	33.3	36.3	44.6	46.9
Imports	1/	1/	0.8	3.1	1.2	0.4	1/	1/
Total supply	66.3	76.1	62.0	47.7	42.6	41.6	53.5	56.9
DISTRIBUTION								
Food 2/	18.8	23.0	19.0	24.4	21.1	18.8	21.9	
Seed	3.0	3.0	3.0	2.8	3.5	4.1	4.3	
Feed, cereal mfg. & other uses	9.1	22.3	24.3	10.8	11.9	6.3	2.7	
Total domestic	30.9	48.3	46.3	38.0	36.5	29.2	28.9	
Exports of durum	1.0	1/	1/	1/	1/	0.9	8.4	
Exports of products 3/	0.1	0.9	1.4	1.6	1.2	2.6	6.2	
Total exports	1.1	0.9	1.4	1.6	1.2	3.5	14.6	
Stocks, June 30	34.3	26.9	14.3	8.1	4.9	8.9	10.0	
Total distribution	66.3	76.1	62.0	47.7	42.6	41.6	53.5	

1/ Negligible.
2/ Total grind less exports of semolina, macaroni, etc. Includes military food, but excludes civilian relief feeding by the military which is included in exports.
3/ Semolina, macaroni, etc. in terms of durum.